Finance Committee Meeting
Tuesday, February 24, 2015
Room 209

1. 4:00 P.M. Committee Workshop - Prioritization Of FY'16 Capital Improvement Plan
2. Approval Of Minutes Of February 12, 2015 Meeting

   Documents: FINANCE COMMITTEE MINUTES FEB. 12 2015 (DRAFT).PDF
3. 6:00 P.M. Review FY'16 CIP, Take Action, Public Hearing

   3.I. CIP Materials 2-24-15

   Documents: CIP MATERIAL 2-24-15.PDF, CIP FC WORKSHOP 2-24-15.PDF

Finance Committee Meeting
Meeting Minutes
Thursday, February 12, 2015

Attendees: Chair Nick Mavadones, Vice Chair Jill Duson, Committee members Jon Hinck and Ed Suslovic, Justin Costa, Sheila Hill-Christian, members of the public and staff

Chair Mavodones opened the meeting – called to order

1. **Approval of minutes of January 22 meeting**

   Motion by Councilor Suslovic to approve the minutes, second by Councilor Duson - **passed 4-0**

2. **Approval of Red Claws Lease Extension**

   Motion by Councilor Suslovic to approve the lease extension, second Councilor Duson - **passed 4-0**

3. **Review CIP and public hearing**

   The Committee reviewed the FY ’16 CIP package. The Committee scheduled a workshop for the next Finance Committee meeting, followed by a public hearing.

Meeting adjourned.

To: Finance Committee

From: Ian Houseal, Assistant to the City Manager

Date: February 24, 2015

RE: Capital Improvement Plan 2016

Please see the attached material regarding questions and information requested at the February 12, 2015 meeting by the Finance Committee with regard to the 2016 Capital Improvement Plan:

1. Provide a copy of the debt management policy (attached)

2. Provide a copy of the debt management policy indicators as presented in the 2015 CIP (attached)

3. Provide historic increases in the tax rate from capital borrowing (attached)

4. Add percentages (provided on workshop working document)

5. Provide more detail on the following projects:

    a. Capisic Pond with regard to cost share between Enterprise Fund and General Fund (project update and response attached)

    b. Public Safety Communication System (see update and attached legal opinion on referendum and discussion of options, cost-share, and shared service)

    c. Relocating Public Services from Bayside

    d. Ladder 1 replacement (attached)

    e. Other projects that would influence long-term capital planning (see attached memo provided as a Plan and CIP consistency document from 2013 CIP)

City of Portland, Maine
Debt Management Policy

Policy Statement

The City borrows money to finance its Capital Improvement Program and other capital assets. It also borrows money to fund workers' compensation settlements, loan programs, non-recurring extraordinary circumstances (such as funding pension obligations) and economic development activities. The City's ability to achieve the lowest possible financing costs is tied directly to its fiscal management, including the existence and adherence to formal fiscal policies. Because of the significant annual cost of debt service, and to assure both taxpayers and bond rating agencies that debt levels and ability to pay debt service are actively managed, the City of Portland adopts this policy.

Purpose

The purpose of this policy is to provide the City with a guide to manage debt levels by evaluating the need for capital investment against the capacity to pay for financing the costs of meeting that need. The primary focus of this policy is to measure debt secured by the full faith and credit of the City (general obligation, or GO), for which the debt service is supported. The goal of this policy is to equip the City Council, administration, and taxpayers with guidelines and information that can inform good decisions on borrowing money to accomplish the fiscal and operational mission of the City.

The City currently has limited instances of debt issuance that is not supported by taxes. The Jetport issues debt that is secured solely by the revenues generated by the Jetport operations. These types of borrowings are not covered by this policy, as they are analyzed using commercially-based methods, such as debt service coverage ratios and other financial covenants.

The City also has instances of debt requirements that, while ultimately backed by a GO pledge of the City, is by its nature self-supporting through user fees or other non-tax sources of revenue.

Governing Factors

The City shall maintain an outstanding GO debt total that complies with State law, which currently limits long-term debt outstanding to 15% of the State assessed valuation of the City. The City Charter describes conditions that require a referendum vote to borrow funds. It also contains the conditions under which financing can be used. Issuance of General Obligation debt requires affirmative votes of seven members of the City Council.

It is understood, and imperative, that the School Department capital investment financing is included in this policy, as it is also GO debt of the City and debt service is supported by tax dollars. All calculations within this policy will also include debt service that is all or partially reimbursed, such as State School Funding.

The City shall not issue debt to fund current or ongoing operations of the City or Schools, except in the form of Tax Anticipation Notes (TANs) when applicable; in compliance with State law and in conformance with Internal Revenue Service (IRS) regulations.

The City shall not lend its borrowing capacity to or guarantee debt of any other entity.

Maturity of debt obligations must be no more than the useful life of the capital investment being financed, or than the final maturity of refunded debt; pursuant to Maine law which may not exceed 30 years from issuance.

Refunding opportunities will be evaluated annually to achieve future interest cost savings.

Rules of borrowing and this Policy also cover lease purchases, as they are secured by the general obligation of the City.

Debt Limitations

The City's Capital Improvement Program is based on a Capital Plan . This Plan includes projections for replacement of assets as well as anticipating investment in new assets that may be needed. The Plan is expected to be updated periodically to reflect additions, deletions and other changes in assets or circumstances. It is expected that investment in operating equipment, fleet and technology will be transitioned such that acquisitions will be made through annual budget appropriations when applicable, as determined by management and City Council.

Borrowing capacity will be evaluated first by the Governing Principles, and then using a number of factors, specifically:

1. *Demand*—what is the need for borrowing
    a. Demand is measured by the needs presented by the Capital Plan. It can also be based on opportunities that arise from time to time which require capital investment by the City.
2. *Capacity*—what is the maximum amount to borrow
    a. The maximum amount to be borrowed at any given time will be determined by evaluating the following factors:
        1. Current and projected annual debt service level, based on current outstanding debt.
        2. Market conditions (ability to access the financing market, interest rates, etc.).
        3. Economic conditions, including cost of construction.

4. Opportunity for participation in low interest financing programs, debt service reimbursement, grant opportunities, or other situations beneficial to the City.

3. *Affordability*—what is the fiscal impact
   a. A projection of annual debt service impact for each borrowing will be done, incorporating the elements of Capacity. It will include budgetary impact, as well as a projection of tax impact. Debt service will be calculated as annual amount needed to satisfy principal and interest payments, net of any applicable revenue.
      1. Net debt service* payments should not exceed 15% of general fund expenditures.
      2. Net debt service payments should not exceed 1.5% of per capita income.**
      3. Debt per capita should not exceed the "moderate" range by Moody's, currently at $5,000.
      4. Total outstanding debt should not exceed 5% of the State equalized valuation of the City.
4. *Term*—length of payback period
   a. Financing shall be secured with the goal of paying back the debt in the shortest term that is economically feasible.
5. *Payment Structure*—how payments are applied
   a. Payments will be structured with level principal and declining interest over the life of the debt, except
   b. In instances where level debt service payments offer economic benefit, such as for rate stabilization.
6. *Advance Refundings*— bond issuance used to pay off another outstanding bond, issued at a lower rate
   a. Opportunities for advance refunding will be reviewed when issuing other GO bonds in order to package issues.
   b. Opportunities for advance refunding will be considered independently for issues where the net savings, after costs of issuance, is estimated to be at least $50,000 annually for the new financing period.

Pension Obligation Bonds (POB's)

In 2002, the city refinanced its unfunded pension liability with the Maine State Retirement system through Variable Rate Demand Obligation (VRDO) financing. This saves and estimated $21 million in interest costs over the 25 year term.

The VRDO structure bears interest at a floating rate that is adjusted at specified intervals (daily, weekly, monthly) and can be redeemed at the holder's option when the rate changes. This structure requires a Standby Bond Purchase Agreement (SBPA), and is managed by a remarketing agent.

While this financing offered the City significant savings, it is the goal of the City to refinance this obligation into a more standard and predictable debt. However, refinancing of this type of debt is costly to do because of the buyout requirements. The Finance Director will periodically review the status of the cost of buyout and refinancing, and pursue any reasonable opportunity.

Bond Ratings

Debt issuance is rated by agencies specializing in the analysis of organizations' ability to pay off their debt. The City is rated for each bond issue, and also during an annual affirmation of ratings. As of 2011, the City is rated AA by Standard & Poor's and Aa1 by Moody's.

It is the goal of the City to maintain these ratings, as it allows easy entry into the bond sale market and favorable interest rates. This policy, in conjunction with other fiscal policies of the City and overall good fiscal management are critical in rating maintenance.

Debt Issuance

The City relies on the sale of bonds for the majority of its financing needs. These sales are conducted through the use of a financial advisory firm and recognized bond counsel. This allows the City continued access to the bond market and ensures compliance with all Securities and Exchange Commission (SEC), Municipal Securities Rulemaking Board (MSRB) and IRS regulations. The City may also enter into lease purchase agreements if it is determined to be cost effective.

Each issuance of general obligation debt will be evaluated to determine compliance with this policy, and that information will be submitted to the City Council as they deliberate actions on financing approvals.

Reporting

The City's debt information is part of the Comprehensive Annual Financial Report (CAFR). Annual debt service requirements are budgeted as part of the annual budget approval process. Bond ratings received by rating agencies are published and available for public review.

The City Council will receive an annual report on the overall debt status of the City. This will include a specific discussion on the status of the Pension Obligation Bonds.

The City is required to provide certain information to investors periodically and financial information annually. This information is filed through the Electronic Municipal Market Access system (EMMA), provided by the MSRB.

Administration

This Policy is for use in guiding financing decisions of the City, and can be interpreted by the City Council as part of overall discussions related to debt issuance. It is administered in conjunction with the City's other fiscal policies, including Investment and Fund Balance policies. It may be amended or revised from time to time as determined by the City.

**Net Debt Service equals budgeted debt service net of Enterprise Funds and State reimbursed School Debt Service*
***Per Capita Personal Income, as published by the U.S. Bureau of Economic Analysis (BEA), Bearfacts, for Portland-South Portland-Biddeford region.*

Recommended by City Council Finance Committee, October 6, 2011
Order 64-11/12 – Given first reading on 11/7/2011, and passage on 11/21/2011.

A: FUNDING SUMMARY - GENERAL FUND

	FY14 auth.	FY15	FY16	FY17	FY18	FY19	Five YR Total
Funding Requested (FY15-FY19)							
City	32,101,496	44,710,561	44,184,681	40,997,601	16,505,500	14,241,500	160,639,843
School	8,170,000	4,640,094	13,470,215	26,696,445	5,946,250	2,760,000	53,513,004
Total General Fund	40,271,496	49,350,655	57,654,896	67,694,046	22,451,750	17,001,500	214,152,847
Sewer Enterprise Fund	5,105,000	2,832,000	3,450,000	4,561,060	1,500,000	1,460,000	13,803,060
Funding Recommendation							
Cash							
City	667,000	383,000	80,000	100,000	-	345,000	908,000
School	-	-	-	-	-	-	-
Total General Fund Cash	667,000	383,000	80,000	100,000	-	345,000	908,000
Sewer Enterprise Fund	1,060,000	115,000	35,000	40,000	-	-	190,000
Borrowing							
City	15,155,000	10,983,000	16,785,000	16,680,000	11,050,000	25,195,000	80,693,000
School	5,935,000	1,525,000	2,905,000	10,040,000	26,055,000	5,765,000	46,290,000
Subtotal General Fund Borrowing	21,090,000	12,508,000	19,690,000	26,720,000	37,105,000	30,960,000	126,983,000
Public Art	73,000	63,000	99,000	134,000	186,000	155,000	637,000
Land Bank	73,000	63,000	99,000	134,000	186,000	155,000	637,000
Total General Fund Borrowing	21,236,000	12,634,000	19,888,000	26,988,000	37,477,000	31,270,000	128,257,000
Sewer Enterprise Fund	4,045,000	3,277,000	3,415,000	4,520,000	1,500,000	1,460,000	14,172,000
Subtotal - Cash and Borrowing							
City	15,968,000	11,492,000	17,063,000	17,048,000	11,422,000	25,850,000	82,875,000
School	5,935,000	1,525,000	2,905,000	10,040,000	26,055,000	5,765,000	46,290,000
Total General Fund	21,903,000	13,017,000	19,968,000	27,088,000	37,477,000	31,615,000	129,165,000
Sewer Enterprise Fund	5,105,000	3,392,000	3,450,000	4,560,000	1,500,000	1,460,000	14,362,000
Sewer Fund							
Reallocated Bond Proceeds		2,150,000	-	-	-	-	2,150,000
Authorized Tier III CSO LTCP		3,000,000	8,900,000	11,800,000	16,300,000	10,300,000	50,300,000
Total Grants, Fed/State	7,579,143	1,880,000	3,520,000	20,000	3,520,000	20,000	8,960,000
Total Funding Recommendation							
City	23,547,143	13,246,000	20,385,000	16,800,000	14,570,000	25,560,000	90,561,000
School	5,935,000	1,525,000	2,905,000	10,040,000	26,055,000	5,765,000	46,290,000
Total General Fund	29,482,143	14,771,000	23,290,000	26,840,000	40,625,000	31,325,000	136,851,000
Sewer Enterprise Fund	5,105,000	8,542,000	12,350,000	16,360,000	17,800,000	11,760,000	66,812,000

A: FUNDING SUMMARY - GENERAL FUND

	FY14 auth.	FY15	FY16	FY17	FY18	FY19	Five YR Total
Debt Service							
Current General Fund Debt Service							
City General Obligation	9,890,834	10,019,919	9,172,383	8,351,893	7,539,174	7,169,173	
City Loans	123,002	123,002	123,002	123,002	123,002	123,002	
School General Obligation	4,972,096	5,793,145	5,076,951	4,696,180	3,990,113	3,425,063	
School Capital Leases	182,662	182,662	88,905	42,816	-	-	
Total GF (Non-POB) Debt Service	15,168,594	16,118,728	14,461,241	13,213,891	11,652,289	10,717,238	
Pen. Obligation Bond - City	9,377,276	9,985,356	10,626,295	11,309,463	12,033,870	12,802,135	
Pen. Obligation Bond - School	1,278,719	1,361,640	1,449,040	1,542,200	1,640,982	1,745,746	
Total POB Debt Service	10,655,995	11,346,996	12,075,335	12,851,663	13,674,852	14,547,881	
Total Current GF Debt Service	25,824,589	27,465,724	26,536,576	26,065,554	25,327,141	25,265,119	
Current GO Enterprise Fund Debt Service							
Sewer Enterprise	6,694,475	6,636,133	6,442,431	6,279,168	6,154,087	5,909,942	
Fish Pier Enterprise	77,560	74,408	61,559	54,724	27,958	17,467	
Total Current GO Ent Debt Service	6,772,035	6,710,541	6,503,990	6,333,892	6,182,045	5,927,409	
Authorized, Not Borrowed--est. debt service							
General Fund			-	289,750	282,888	276,025	
Enterprise Funds			285,000	1,123,750	2,217,975	3,713,150	
Projected New Issue Debt Service--est. debt service							
City			1,434,605	3,604,679	5,754,772	7,141,135	
School			275,375	700,296	1,841,135	4,261,359	
General Fund--est. debt svc			1,709,980	4,304,975	7,595,907	11,402,494	
Sewer Enterprise--est. debt svc			364,565	737,471	1,173,046	1,321,620	
Total Debt Service Est.	32,596,624	34,176,265	35,400,111	38,855,391	42,779,002	47,905,817	
Total Debt Service Est. (less POB)	21,940,629	22,829,269	23,324,776	26,003,728	29,104,150	33,357,936	
Less Ent. Fund Debt Svc, Current and Projected	(6,772,035)	(6,710,541)	(7,153,555)	(8,195,113)	(9,573,066)	(10,962,179)	
Less State reimbursed School Debt Service (est)	(1,909,047)	(1,871,914)	(1,830,799)	(1,764,834)	(1,744,931)	(1,696,255)	
Net Debt Service Est.	23,915,542	25,593,810	26,415,757	28,895,444	31,461,005	35,247,383	
Net Debt Service Est. (less POB)	13,259,547	14,246,814	14,340,422	16,043,781	17,786,153	20,699,502	
increase from prior year		987,267	93,608	1,703,359	1,742,371	2,913,350	

A: FUNDING SUMMARY - GENERAL FUND

	FY14 auth.	FY15	FY16	FY17	FY18	FY19	Five YR Total
General Fund Debt Policy Indicators							
Gen. Fund Rev. Projections	269,045,351	277,948,142	282,561,297	287,306,848	292,185,906	297,199,776	
		3.2%	1.6%	1.7%	1.7%	1.7%	
Total Debt Service as % of GF Rev	**12.1%**	**12.3%**	**12.5%**	**13.5%**	**14.6%**	**16.1%**	
Net Debt Servcie as % of GF Rev	**8.9%**	**9.2%**	**9.3%**	**10.1%**	**10.8%**	**11.9%**	
*Moody's Selected Indicator** (total debt service)*	***7.9%***	***7.9%***	***7.9%***	***7.9%***	***7.9%***	***7.9%***	
S&P "moderate" range (total debt service)	*8%-15%*	*8%-15%*	*8%-15%*	*8%-15%*	*8%-15%*	*8%-15%*	
Population (1% increase every year)	66,810	67,478	68,153	68,834	69,523	70,218	
Per capita net debt service	**$ 358**	**$ 379**	**$ 388**	**$ 420**	**$ 453**	**$ 502**	
Per Capita Income (2% increase every 2 years)	$ 41,522	$ 42,352	$ 42,352	$ 43,200	$ 43,200	$ 44,065	
1.5% of Per Capita Income	**$ 623**	**$ 635**	**$ 635**	**$ 648**	**$ 648**	**$ 661**	
Total Oustanding debt (June 30 prior year)	$ 288,015,985	$ 295,729,222	$ 278,909,459	$ 276,709,146	$ 279,810,433	$ 288,111,622	
Total debt per capita	**$ 4,311**	**$ 4,383**	**$ 4,092**	**$ 4,020**	**$ 4,025**	**$ 4,103**	
Net Oustanding Debt (June 30 prior year)	$ 213,581,238	$ 222,889,999	$ 223,018,306	$ 228,636,104	$ 238,972,464	$ 256,856,941	
Net debt per capita	**$ 3,197**	**$ 3,303**	**$ 3,272**	**$ 3,322**	**$ 3,437**	**$ 3,658**	
Moody's "moderate" indicator (net debt)	*$ 5,000*	*$ 5,000*	*$ 5,000*	*$ 5,000*	*$ 5,000*	*$ 5,000*	
S&P "moderate" range (net debt)	*$2,000-$5,000*	*$2,000-$5,000*	*$2,000-$5,000*	*$2,000-$5,000*	*$2,000-$5,000*	*$2,000-$5,000*	
State equalized valuation (1% est. increase)	7,552,150,000	7,551,450,000	7,626,964,500	7,703,234,145	7,780,266,486	7,858,069,151	
Total Debt %, total debt OS	**3.8%**	**3.9%**	**3.7%**	**3.6%**	**3.6%**	**3.7%**	
Net Debt %, non-ent debt OS	**2.8%**	**3.0%**	**2.9%**	**3.0%**	**3.1%**	**3.3%**	
Net debt %	**2.83%**	**2.95%**	**2.92%**	**2.97%**	**3.07%**	**3.27%**	
S&P "moderate" range (net debt)	*3%-6%*	*3%-6%*	*3%-6%*	*3%-6%*	*3%-6%*	*3%-6%*	

** As of February 6, 2014*

***For Aa rated cities*

Historic Debt Service

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taxable Valuation	4,201,396,820	5,691,984,880	6,749,780,910	7,654,632,048	7,408,990,350	7,449,628,820	7,439,890,180	7,446,064,220	7,489,882,580	7,495,433,220	7,662,000,000
Net Debt (Budget less POB)	13,492,233	13,453,004	13,886,009	14,480,975	14,037,564	14,783,589	14,198,008	13,322,321	13,700,656	13,710,476	14,660,827
increase from Prior Year		*(39,229)*	*433,005*	*594,966*	*(443,411)*	*746,025*	*(585,581)*	*(875,687)*	*378,335*	*9,820*	*950,351*
Tax Rate increase from prior year		(0.01)	0.06	0.08	(0.06)	0.10	(0.08)	(0.12)	0.05	0.00	0.12

Michael J. Bobinsky
Director of Public Services

To: Finance Committee Members

From: Michael J. Bobinsky, Director of Public Services

Date: February 20, 2015

Subject: Background on Capisic Pond Park Project; Funding and CIP Ranking

Project Background and current status

Over the past 15 years, the City has made significant investment in improving the Capisic Brook watershed through combined sewer overflow abatement and stormwater management and planning. With recent Capisic Pond Park habitat enhancements through the West Side Interceptor Sewer Separation project and planned improvements to watershed quality under the Capisic Brook Watershed Management Plan, a Capisic Pond enhancement project will allow the community to realize the full benefits of this resource. The goal of the enhancement project is to improve the existing habitat for the variety of species that currently utilize the pond and improve the aesthetic quality of the pond, while balancing the concerns of local residents and maintaining the existing character of the park. This will be achieved by sediment removal in portions of the pond to increase pond water depth, removal of the current population of cattails in selected areas and increasing the open water component of the pond.

Permits Received:

- Level III City Site Plan; April 16, 2014
- MaineDEP Individual Natural Resource Protection Act Permit; May 23, 2014
- United States Army Corps of Engineers Individual Permit; July 1, 2014

The remaining required permit is a one (1) page form to be filed in advance of construction (minimum two-weeks in advance). It is a MaineDEP Stormwater Permit by Rule and Notice of Intent to comply with the Maine Construction General Permit. Not filed at this time as it would expire before work began.

Anticipated Construction Timeframe:

Due to permitting restrictions, from our regulating agencies, dewatering of the pond shall begin in May, and excavation activities shall be limited to August 15 through November 1. All work shall be substantially complete by November 15, with Final Completion by November 30. Given funding status, I did not specify an exact year when the work would start, rather the construction period and month when work would occur.

Funding to date

Below is info on Contracts/Costs to date:

- Capisic Pond Sediment Evaluation $11,000 – Final Memorandum Delivered in December 2011

- Phase 1 Capisic Pond Sustainability Plan (Evaluation and Management Options) $30,000 – Final Report Delivered in July 2012

- Phase 2 Capisic Pond Sustainability Plan (Permit Scoping, Basis of Design, 30&80% Design) $100,000 – Completed June 2013

- Phase 3 Capisic Pond Sustainability Plan (Permitting & Final 100% Design) $80,000 – Completed February 2015

Total expended to Date: $221,000 (including forthcoming February invoice). Note that Phase 1 & 2 costs listed above included Rockland Ave Outfall evaluation and design, which was integral to those efforts and cannot easily be broken out. Final design and permitting for Rockland Ave was completed in Phase 3 ($35k cost, not included above).

Final Opinion of Probable Construction Cost for Pond Enhancement (including Construction Administration): $2.1M

The Department sought outside grants to fund the balance of the project not approved for funding yet ($1,125,000) and have not been successful as of this time. See attached memorandum from Doug Roncarati, Stormwater Coordinator summarizing grant application/status work to date and prior year memo on grants being sought. The City Council Resolution (attached) indicates that the City would know the status of the grants being sought by the Spring of 2015. While staff is continuing to research possibilities, alternative funding sources outside the City resources is not looking favorable.

CIP Funding Request

The Department did consider splitting the funding request between the General Fund and Sewer Fund. While there is a basis for assessing the balance of the project 50% between Sewer and the General Fund, the Department submitted the balance of the funding as part of the FY16 CIP project request under General Fund since it was not a mandated water quality plan as part of the $10-15 million master plan for Capisic Brook; given funding limits and concerns in the Sewer Fund, other mandated water quality projects were rated higher. However, it can be justified that up to 50% of the project can be funded through the sewer/stormwater fund (see attached memo). This is a Council policy decision and staff is prepared to discuss.

Resolve 1-14/15
Passage: 9-0 on 7/21/2014

Effective 7/31/2014

MICHAEL F. BRENNAN (MAYOR)
KEVIN J. DONOGHUE (1)
DAVID A. MARSHALL (2)
EDWARD J. SUSLOVIC (3)
CHERYL A. LEEMAN (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

JOHN R. COYNE (5)
JILL C. DUSON (A/L)
JON HINCK (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

RESOLUTION REGARDING THE CITY COUNCIL'S INTENTION TO FUND CAPISIC POND IMPROVEMENT PROJECT

WHEREAS, the Fiscal Year 2014 Capital Improvement Plan and Fiscal Year 2015 Capital Improvement Plan recommend funding for the Capisic Pond Improvement Project; and

WHEREAS, the permitting work for this project will not be completed until late 2014; and

WHEREAS, the City has identified several possible grant sources that might be able to offset the estimated cost of this project; and

WHEREAS, the City Council authorized funding in Fiscal Year 2014 for engineering and permitting and plans to authorize partial funding of the project in the Fiscal Year 2015 Capital Improvement Plan; and

WHEREAS, the City intends to apply for various grants identified and others that may be available during the summer and fall of 2014 and the winter of 2015; and

WHEREAS, by the spring of 2015 the City should know what grants it has succeeded in being awarded,

NOW, THEREFORE BE IT RESOLVED BY THE PORTLAND CITY COUNCIL, that the Council intends to fund those portions of the project that are not covered by grant funds in a future Capital Improvement Plan.

COMMITMENT & INTEGRITY
DRIVE RESULTS

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WOODARD & CURRAN

June 13, 2014

Michael Bobinsky, Director
Department of Public Services
55 Portland Street
Portland, Maine 04101

Re: Capisic Pond Improvements – Construction Cost Percentages, Sewer/Drainage Maintenance versus Pond Enhancement

Dear Mike:

At your request, we have evaluated the Capisic Pond Enhancement project to identify an approximate breakdown of cost (on a percentage basis) that can be attributed to: 1) maintenance associated with the impacts of sewer and drainage on the pond; and 2) enhancements to satisfy the public's interest in habitat restoration and preservation of the pond as a recreational and aesthetic resource in the park. To perform this evaluation, we made the assumption that the costs for dredging (removal of sediments) from the pond is wholly a maintenance cost associated with sedimentation of the pond as a result of the City's drainage and sewer systems in the heavily developed Capisic Brook and Rockland Ave Outfall watersheds. We refer to this as sewer/drainage maintenance costs. We further made the assumption that enhancements associated with creating new habitat buffer areas on the edge of the pond, including edge stabilization and plantings, is wholly an enhancement cost to benefit the public's interests in habitat restoration and park preservation. We refer to this as pond enhancement costs. All other miscellaneous costs that are incurred to perform the work (ex. – office trailer, erosion controls, stabilized matting) were allocated on a relative percentage basis of the sewer/drainage maintenance costs and the pond enhancement costs.

Based on these breakdowns, we have determined that 50% of the total construction costs for the project can be attributed to sewer/drainage maintenance costs and 50% of the total construction costs can be attributed to pond enhancement costs.

Sincerely,

WOODARD & CURRAN INC.

David Senus, P.E.
Project Manager

225672.77

Michael J. Bobinsky
Director of Public Services

To: Michael Bobinsky, Director of Public Services

From: Douglas Roncarati, Stormwater Program Coordinator

Date: November 24, 2014

RE: Summary of efforts to identify grants and apply for funding for the Capisic Pond Wetland Enhancement project

Staff from the Department of Public Services and our consultant, Woodard & Curran, identified a number of potential grant opportunities that might provide funding for a wetland enhancement project like the one envisioned for Capisic Pond. The following is a summary of the potential funding sources that were identified and explored and an update on the status of each.

<u>Maine Natural Resources Conservation Program (MNRCP)</u>: Staff submitted a summary proposal for this grant, which is funded through State wetlands mitigation contributions. The City was then asked to submit a full proposal and did so, requesting $162,000 toward the Capisic Pond Wetland Enhancement project. The grant review committee met on November 6, 2014 to evaluate the proposals and the project was met with mixed reviews, but was not outright rejected. Some committee members do not like the fact that the pond and wetland habitat are manmade, while others questioned the sustainability of the project, because ongoing sediment and invasive plant management will be necessary for habitat maintenance. The committee asked if the City would accept a much smaller grant award and was told that the full amount of the request was necessary given the overall project cost and the overall administrative and legal burdens associated with the grant. The grant approval committee met on November 17, 2014 to make final decisions about which projects to fund and subsequently informed the City that the project would not be awarded a grant.

<u>Maine Land & Water Conservation Fund</u>: Staff did not apply for this grant because it was past deadline for a pre-application site inspection. Also, the focus of this grant is on recreation, rather than wetland invasive plant management to restore and enhance wading bird and waterfowl habitat. Shifting the goals of the project from the wetland enhancement to recreation in order to accommodate this grant would likely jeopardize our State & local project approvals.

National Fish & Wildlife Foundation Pulling Together Initiative: Staff did not apply for this grant because it was past deadline for a pre-proposal submission. Grant awards are small (up to $75,000). Staff will contact the program manager to determine if there will be additional grant offerings next year and if this project would qualify.

U.S. Fish & Wildlife North American Wetlands Conservation Act (NAWCA) Small Grants Program: Staff did not apply for this grant due to the limited size of the award (up to $75,000), in favor of applying for the larger version of this grant, the North American Wetlands Conservation Act Grants Program (U.S. Fish & Wildlife Service Bird Habitat Conservation), which provides grants up to $1 million. While the two deadlines had passed for 2014, future rounds of this larger grant program are anticipated in 2015 and we will contact program staff for more information. It is important to note that at the MNRCP grant review committee meeting, one of the most vocal opponents of the pond enhancement project on the basis that it is not a natural wetland, was a representative of the U.S. Fish and Wildlife Service who would likely be involved with the local grant process. Given this situation, staff will need to determine if it is worth the cost and effort to apply for this grant next year.

Funders' Network for Smart Growth & Livable Communities – Partners for Places: Staff did not apply for this grant because it was past deadline for applications. We need to contact program staff to determine if this project will qualify, since the application states that they will not support local government staff or major capital projects.

Gordon & Betty Moore Foundation Marine Microbiology Initiative: There is no RFP process for this grant; Foundation staff seeks organizations whose research or projects would contribute to the Foundation's overall goals/existing projects and will ask for a formal proposal from that organization. Based on the marine research-oriented nature of projects funded to date and the very clear admonishment against submitting unsolicited proposals, no further action will be pursued.

Maine Outdoor Heritage Fund: Staff needs to explore this grant in more detail and could possibly apply for the March 1, 2015 round. This grant requires the support of a "Qualified Sponsoring Agency" and therefore some relationship-building around the pond enhancement project in advance of the application.

Five Star and Urban Waters Restorative Program: Staff did not apply for this grant because it was past deadline for application submission. Additional investigation will need to be done to determine if new funding will be available in 2015 and if the project meets the grant criteria.

Portland, Maine | Yes. Life's good here.

MEMORANDUM

To: Finance Committee

From: Mark Rees, City Manager

Date: June 26, 2014

RE: Capisic Pond: Grant Options

For the June 26 Finance Committee meeting the Finance Committee requested responses to the following question:

What grants are being considered for the Capisic Pond Improvement project?

The following grants are being considered for the Capisic Pond Project:

1. Land and Water Conservation Fund - $200,000

2. National Fish and Wildlife Foundation Pulling Together Initiative - $25,000 - $75,000

3. U.S. Fish & Wildlife Small Grants Program - $75,000

4. Funders' Network for Smart Growth and Livable Communities, Partners for Places - $150,000

5. Gordon and Betty Moore Foundation Marine Microbiology Initiative – unspecified

6. Surdna Foundation, Sustainable Environments – unspecified

From: Zach Henderson <zhenderson@woodardcurran.com>
To: "Michael Bobinsky (mbobinsky@portlandmaine.gov)" <mbobinsky@portlandmain...
Date: 6/24/2014 1:12 PM
Subject: FW: Capisic Pond - Possible Grant Opportunities

See options below. These may be viable.

Zach Henderson
Project Scientist - CPSWQ
1.800.426.4262
1.207.650.2576 (c)

-----Original Message-----
From: Lauren Swett
Sent: Friday, June 20, 2014 2:06 PM
To: Bobinsky Michael
Cc: 'Doug Roncarati (DAR@portlandmaine.gov)'; Zach Henderson; David Senus
Subject: Capisic Pond - Possible Grant Opportunities

Hi Mike,

Zach asked me to send you some information on grants that may be applicable for the Capisic Pond project. As Zach had sent in an email last week, we are working on the initial application for the Maine Natural Resource Conservation Program. We have come up with these additional grants that are currently accepting applications and may be options to consider for the Capisic project.

Land and Water Conservation Fund

http://www.maine.gov/dacf/parks/grants/land_water_conservation_fund.html

Funding administered by the National Park Service and the Maine Bureau of Parks and Lands, and intended for assistance with acquisition and/or development of public outdoor recreation facilities.

Pre-Inspection deadline July 28

Awards up to $200,000, matching funds required

National Fish and Wildlife Foundation Pulling Together Initiative

http://www.nfwf.org/pti/Pages/home.aspx

Funding program for the management of weeds and invasives on public lands, natural areas, and private working lands.

Pre-Proposal application deadline July 1

Typical awards $25,000-$75,000, matching funds required

U.S. Fish & Wildlife Small Grants Program

http://www.fws.gov/birdhabitat/Grants/NAWCA/Small/index.shtm

Grant program for projects that further the goals of the North American Wetlands Conservation Act, including long-term protection, restoration, and/or enhancement of wetland and associated uplands habitats for the benefit of all wetlands-associated migratory birds.

Application deadline November 7

Maximum grant request $75,000, matching funds required

Another current grant opportunity that doesn't quite fit with the Capisic project is through the Recreational Trails Program:

http://www.maine.gov/dacf/parks/grants/recreational_trails_program.shtml

This may be something to consider for other projects. It may also apply to educational programs that might be done in association with the Capisic project, if also related to the trails that run around the pond.

We'd need to do some additional research to verify the applicability of each program, but it's possible they could provide funding to certain parts of the project. If you'd like us to look into any of these grants further, please let us know.

Thanks, and have a nice weekend!

Lauren

Lauren Swett, P.E.

Project Engineer

Woodard & Curran

41 Hutchins Drive

Portland, Maine 04102

Phone: (800)426-4262 ext. 3303

Fax: (207)774-6635

Funders' Network for Smart Growth and Livable Communities
Partners for Places

This program creates opportunities for cities and counties in the United States and Canada to improve communities by building partnerships between local government sustainability offices and place-based foundations. National funders invest in local projects to promote a healthy environment, a strong economy, and well-being of all residents. Through these projects, Partners for Places fosters long-term relationships that make our urban areas more prosperous, livable, and vibrant. Successful proposals are for projects that the local government sustainability office and local, place-based funder(s) consider important to the community. The project must advance at least one of the following: a key aspect of a community-focused sustainability, climate action, comprehensive plan provision that specifically addresses sustainability; a key aspect of any plan endorsed by the mayor or city manager that states the goal of balancing economic development, environmental quality, and equity; an area identified for performance improvement or implementation for Certified STAR Communities.

Award max.: $150,000

Eligibility: Local, place-based foundation, a public charity (501c3) created by a city or county government to accept grants, or a partnering nonprofit organization. The proposal must be submitted by a team of at least two partners who are: (1) the sustainability director of a city (municipality) or a county and, (2) the local, place-based foundation(s).

http://www.fundersnetwork.org/participate/green-building/partners-for-places/

Gordon and Betty Moore Foundation
Marine Microbiology Initiative

Summary: The aim of the Marine Microbiology Initiative is to uncover the principles that govern the interactions among microbes (who interacts with whom, how, when, where, and the consequences thereof) and that influence the microbially mediated nutrient flow in the marine environment (who consumes and excretes what, where, how much, when, and the consequences thereof). To achieve high scientific impact though these strategies, MMI employs four grantmaking approaches: A) Single Investigator awards (MMI Investigator portfolio) that support individual current and emerging leaders in the field; B) Multi-disciplinary Team Research Projects that support collaborations to address interdisciplinary challenges; C) Community Resource Projects that fund development of tools and infrastructure of broad utility to the entire research community; and D) Instrumentation and Technology Development grants that advance the community's capabilities through development of novel technology. The annual grant budget is roughly $250 million.

The Foundation does not accept unsolicited proposals. Foundation staff research organizations as potential contributors to fill specific niches and achieve the outcomes within the Foundation's program areas. Once potential projects and grantees have been identified, the Foundation may request a formal proposal.

650-213-3000

http://www.moore.org/programs/science/marine-microbiology-initiative

Surdna Foundation
Sustainable Environments

The Sustainable Environments Program is working to overhaul our country's outdated and crumbling infrastructure with a new approach that will foster healthier, sustainable, and just communities. We believe in the potential of what we call "next generation infrastructure" to improve transit systems, make buildings more energy efficient, better manage our water systems and rebuild regional food systems. Focusing on urban areas and their surrounding suburbs, we seek solutions that connect and improve these infrastructure systems in ways that maximize positive impacts and minimize negative environmental, economic and social consequences. The Sustainable Environments Program seeks to create just and sustainable economies in four ways. (1) SUSTAINABLE TRANSPORTATION NETWORKS & EQUITABLE DEVELOPMENT PATTERNS. We support clean, affordable, equitable, high-quality and efficient transportation and land use development that better connects critical services, jobs, schools, housing and other regional destinations. (2) ENERGY EFFICIENCY IN THE BUILT ENVIRONMENT. We support efforts to help people make homes, businesses and other buildings more energy efficient. (3) URBAN WATER MANAGEMENT. We support efforts to capture storm water and slowly release it into the existing network of drains, pipes and sewers, or reuse it where it falls to cultivate natural green spaces. (4) REGIONAL FOOD SUPPLY. We support ways to make it easier to get local, sustainably produced food from our farms to the markets closest to where it's grown, and to better connect food producers and consumers.

212-557-0010
http://www.surdna.org/what-we-fund/sustainable-environments.html

To: Finance Committee Members
From: Michael J. Sauschuck, Police Chief
Date: February 20, 2015
Re: Communications System Replacement: 800 MHz Project-25 Trunked Radio Network

Portland's Communication System needs to be replaced as an emergency. In preparation for Council authorization of the FY16 projects in the annual Capital Improvement Plan, the City issued a Request for Proposals (RFP) on January 28, 2015. Responses to the RFP are due on March 24.

The RFP seeks to acquire and implement a new ten channel 800 MHz Project-25 simulcast trunked radio system that will replace the existing Motorola 800 MHz Smartnet system that is currently being utilized by the Cities of Portland and South Portland.

BACKGROUND

In 1999, the City of Portland began use of its citywide 800 MHz Motorola SmartNet Trunked Simulcast system for emergency services: dispatch, 911 service, and operations. The system integrated radio communications for all city departments onto a single technology platform for emergency service and day-to-day use. Since that time some upgrades and modifications to the system have taken place in an effort to meet the communications needs of Portland's First Responders. The City of South Portland is also a system participant using the 800 MHz communications infrastructure for their public safety communications.

In December of 2013, a report solicited by the City of Portland was submitted by Communications Design Consulting Group, LLC. discussing the eminent need to replace the system. The report revealed the communication system was categorized as being at the "end of its life" and its manufacturer, Motorola, would no longer be providing support for system components and software. Effectively, parts and service are longer available. This report estimated the basic upgrade cost at $6.7 million with an additional $3.85 million in potential options.

Authorizing the replacement was postponed during the FY15 budget process to allow for additional research. A peer review report on the initial consultant's review was conducted by RCC Consultants Inc. and was received in September of 2014. This report reached similar conclusions to the initial report.

OPTIONS

Two basic replacement options have been discussed: full system "turnkey" replacement and a phased-in approach. The full system replacement is the only viable option. The phased-in approach requires working with a single vendor exclusively and by-passing the city's purchasing ordinance. Under this option, some spending would be deferred, but the total cost of the system would increase because some components of the system would have to be purchased to facilitate the phase-in that would be obsolete when finished. Nonetheless, with either approach, authorizing the full funding amount for the project is necessary.

ALTERNATIVES

The only alternative known is continuing to use the current system and replacing parts as they fail, if parts can be found. This alternative puts the public and city operations at risk for emergency services and day-to-day operations.

The Cumberland County Regional Communication's Center operates on several different communication frequencies that are each licensed to individual municipalities. These frequencies are older technology that are not compatible with the Portland/South Portland system and not a technology that will be supported into the future. Investing in the 800 MHz Project-25 simulcast trunked radio system is in support of the National Emergency Communication Plan released by the Department of Homeland Security in 2014. Cumberland County's system is a different communications platform than the Cities of Portland and South Portland used for different purposes. The systems are not compatible from an operational standpoint and would require a considerable investment on the County's and other municipalities' standpoint to make them so.

COST SHARE

With the exception of the handheld radios and mobile mounted radios, the project is a shared expense between Portland and South Portland. The plan is for Portland to authorize and borrow the full amount for the project and bid and build the project. South Portland will share approximately 30% of the debt payments according to the inter-local agreement signed by Council Order in 2007.

SCHEDULE

Given that more certain pricing will not become available until March 24, the final recommended authorization for the communication system, for the estimated full cost of the project cannot be finalized until after that date. The current schedule for the City Council to authorize the communication system project as part of the CIP is scheduled for the two Council meetings in April. According to Bond Counsel, a referendum is not necessary and also not recommended due to the emergency status this project has. See the attached memorandum from Bond Counsel.

Merrill's Wharf
254 Commercial Street
Portland, ME 04101
207-791-1100

Memo

To: Suzanne Knight, Interim Director of Finance

From: Jim Saffian, Bond Counsel

Date: February 19, 2015

Re: City Charter Referendum Requirements

This memorandum discusses the Portland Charter referendum requirements as they relate to the proposed City financing of a replacement public safety radio communication system.

Article VII, Section 16(a)(1) of the City Charter, states that:

> (a) The city council shall submit the following to voter referendum:
>
> (1) Orders or resolves authorizing the issuance of general obligation securities of the city in a principal amount greater than five one-hundredths of one (1) percent of the last certified state valuation of the city for a single capital improvement or item of capital equipment; or

Thus, based on the City's current 2015 State Valuation of $7,707,200,000, a bond order in the amount of $3,853,600 or more for a single capital improvement or item of capital equipment, unless excepted under Article VII, Section 16(b), would trigger the referendum requirement. Article VII, Section 16(b) provides for the following three exceptions to the referendum requirement: (i) refunding bonds, (ii) street, storm water and sewer bonds and (iii) bonds for a declared emergency.

> (b) The provisions of this section shall not be applicable to any order or resolve authorizing (i) the refunding of any securities or other obligations of the city; (ii) the issuance of general obligation securities, or other direct or indirect obligations, of the city for streets, sidewalks, or storm or sanitary sewers; or (iii) any construction or financing of improvements or equipment needed as a result of fire, flood, disaster or other declared emergency. For purposes of this section, the city council may by vote of at least seven (7) of its members adopt emergency orders or resolves authorizing construction or financing of improvements or equipment needed as a result of fire, flood, disaster or other emergency and such orders or resolves shall contain a section in which the

> emergency is set forth and defined; provided, however, that the declaration of such emergency by the city council shall be conclusive.

The currently installed public safety radio communication system (now being replaced) financed with a portion of the City's 1998 Bonds was submitted to a referendum vote. In 2002, we concluded that certain additional and unexpected costs of the 1998 project (necessary to fix dead space or black out areas) should be considered as part of the same "single" capital improvement and thus also subject to the City Charter bond referendum requirement. This was so even though the additional amount, standing alone, was less than the then-current referendum triggering threshold. At that time, however, the City Council elected to authorize the additional bonding amount under the "declared emergency" provision of paragraph 16(b), thus avoiding the referendum requirement for the additional financing amount.

I understand that the City is currently confronting a similar situation. The existing public safety communication system is approaching the end of its useful life. Vendor support for repairs and upgrades to the system is also reaching an end point. In addition to any negative impact this may have on Portland residents, the City is now part of a combined dispatch system with South Portland and Cape Elizabeth. Thus, the City Council could conclude that these circumstances create an unsafe environment for City residences and City safety personnel and for the populations in the South Portland and Cape Elizabeth communities as well. Based on this public safety issue, there is therefore an urgent and unavoidable need to replace the current system with an up-to-date system that provides better reliability and coverage. The new system would ameliorate these concerns and would enhance the public safety of both the residents of the City and City public safety personnel as well as the residents in the combined public safety dispatch territory.

If the City Council determines that it would be appropriate to take this action, then the City Council (by a vote of 7 of its members) can define and declare the emergency circumstances that justify the referendum exception when it adopts the bond order for the replacement public safety radio communication system. Based on the discussion above, in this instance the circumstances giving rise to the emergency would be along the lines of the following:

- The current public safety radio communication system is approaching the end of its useful life;
- These circumstances create an unacceptable public safety risk to the residents of the City and to City public safety personnel and to the residents in the combined dispatch service area;
- There is therefore a substantial public exigency to speedily replace the current system with an up-to-date and more reliable public safety radio communication system in order to meet the needs of the residents of the City and of the combined dispatch service area;
- Because there is an urgent and unavoidable need for a new public safety radio communication system and because a process seeking referendum approval would create uncertainty and an unavoidable and unacceptable delay in the project, the

> City Council finds and declares that emergency circumstances exist requiring approval of the project and issuance of the City's bonds therefore without referendum approval.

Thus, by an appropriately drafted City Council Order and related City Council findings and declarations, the project and bonds could be approved by the City Council without a referendum vote under the requirements that pertain in the City Charter.

I hope this information is helpful to you as you complete your planning for the project. Please give me a call if you have any further questions.

Portland, Maine Yes. Life's good here.

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Finance Committee

FROM: Greg Mitchell, Economic Development Director

DATE: February 23, 2015

SUBJECT: **Relocation Plan for Public Services Bayside and other City Departments**

I. SUMMARY OF ISSUE

It has been the policy direction of the City, over a number of years, to relocate the Department of Public Services Bayside activities and combine other City Department activities to a single centralized location to support on peninsula City government service delivery. This memorandum will outline approaches to address City policy.

The DPS Bayside Relocation Plan is to remove all DPS activities from 44, 71, and 82 Hanover Street and 56 Parris Street to properties that are currently being evaluated by City staff subject to City Council approval. It is noted that the DPS Administrative Office Building, located at 55 Portland Street, will continue to be owned by the City and occupied by DPS. See attached map.

Property Address/Acreage	**City Use**	**New Location Status**	**Efficiency Results**	**Actions**
44 Hanover St.	DPS Fleet Services	Under evaluation by City staff.	Puts uses under one roof/single site. Property available for sale.	HCDC to oversee RFP process to sell properties and negotiate purchase and sale agreements subject to City Council approval.
82 Hanover St.	DPS Lower Garage	Under evaluation by City staff.		
56 Parris St.	DPS Employee Parking	Under evaluation by City staff.		
71 Hanover St.	Satellite Sand/ Salt Operation	Under evaluation by City staff.		Pending City Council Vote on 2/23/2015 for sale.
Total: 3.01+/- Acres				

II. REASON FOR SUBMISSION

Housing and Community Development Committee and Finance Committee recommendations are needed to advance discussion and required real acquisition and financial appropriation actions to develop an action plan to address this policy.

III. INTENDED RESULT

Housing and Community Development Committee and Finance Committee actions (in the form of recommendations to the City Council) on specific actions outlined in this memorandum.

IV. COUNCIL GOAL ADDRESSED

It is the goal of the *Bayside* Vision 2000 Plan to relocate Public Services Bayisde operations out of Bayside to support mixed use development.

Promote Economic Development in the City in a manner that provides for increased property values, diversification across industry sectors, and high paying jobs.

(Reminder of this page intentionally left blank)

V. FINANCIAL IMPACT

An overview of the financial impacts of past City Council actions/appropriations and future staff recommended City Council Committee/City Council actions are provided below. It is noted that the City attorney and possibly City bond counsel need to approve this financial approach to ensure it complies with City Charter limitations related City Council debt authorization.

Source of Funds Table

Amount	**Source**	**City Council Committee/City Council Required Action**	**Status**
$2.0 Million	Sale of City Somerset Street property, net broker commission	Requires City Council financial appropriation.	Awaiting closing of sale Spring, 2015.
$0.2 Million	Sale of Riverside Street property	City Council approved Purchase and Sale Agreement (PSA).	Awaiting closing of sale before 7-1-15.
$0.2 Million	Sale of 71 Hanover Street property	City Council authorization of PSA; followed by City Council financial appropriation.	City Council authorization of PSA set for 2/23/2015.
$0.6 Million	Past City property sales.		Funds available
$3.2 Million	New real estate purchase and new City debt to acquire add’l property and facilities under evaluation by City staff.	Requires Finance and HCDC Committee recommendations to City Council, followed by City Council financial appropriation.	Pending Committee review.
$2.1-$3.0 Million	Future Sale of DPS Fleet and Central Services properties, including 3.0 +/- acres at an estimated value of $.700-$1.0 million per acre based upon use	Requires HCDC approval of RFPs; then requires City Council authorization of PSAs.	Final estimate requires staff/consultant due diligence work
Total: $8.3 - $9.2 Mil.			

Uses of Funds Table

Amount	**Use**	**City Council Committee/City Council Action**	**Status**
$3.2 Million	Acquisition of additional property and facilities under evaluation by City staff.	Requires Finance Committee recommendation to City Council, followed by City Council financial appropriation.	Pending review by Finance Committee.
$2.1-$3.0 Million	Renovation of facilities and new construction. Final estimate requires staff/consultant due diligence work.	Requires Finance Committee recommendation to City Council, followed by City Council financial appropriation.	
Total: $5.3 -$6.2 Million			

$3 million Source and Use Table Difference. It is noted that this difference large relates to uncertain future revenue associated with selling remaining DPS Bayside property.

VI. STAFF ANALYSIS

City staff has been working on evaluating real estate and facility options, over a number of years, to accomplish the complete relocation of most or all of Public Service Bayside Department activities combined with other departments to a single centralized location to provide city services on or near the Peninsula where a majority of demand for city governmental services are needed.

VII. RECOMMENDATION

This memorandum outlines recommended City Council Committee and City Council actions required to move forward with the DPS Bayside Relocations Plan.

VIII. LIST ATTACHMENTS

- Map of DPS Bayside Property

Bayside City Properties

Public Services Main Facilities – Portland St to Kennebec St

Interoffice Memorandum

To: Ian Houseal, Assistant to the City Manager
From: Kevin Austin, Fleet Manager
Date: February 19, 2015
Re: Ladder 1

Ladder 1 is currently the oldest piece of front line apparatus in service for the fire department. The apparatus itself is a specialty aerial device that supplements our (3) 100' aerials devices. This piece of equipment allows us the ability to accomplish some major operational tactics including a safe platform in which fire personnel can work at high elevations, the ability to manage master streams at the source within the platform and allows for the ability to operate over wires that might otherwise prohibit normal aerial operations.

Ladder 1 is stationed atop Munjoy Hill at 134 Congress Street and services all the peninsula as well as the North and East Deering neighborhoods. It is 1 of 2 aerial devices serving the metropolitan downtown area and its unique capabilities are utilized on the majority of our more serious fires, regardless of the location in the city. Ladder 1 is staffed daily with 2 firefighters and 1 officer. It responded on 1281 total calls in 2014 including 322 EMS calls.

Ladder 1 is a model year 1993 Peirce ladder truck with an 85' Snorkel articulating boom. The engine has logged 15,273 service hours and the aerial has 2,190 service hours. The City purchases fire apparatus with an expected useful life of 20 years and Ladder 1 is currently 22 years old. Fleet mechanics have noted significant corrosion inside the upper and lower booms. Sizable sheets of delaminated and corroded steel are dropping out of the internal section of both booms causing concern around the structural integrity of the booms. Given the age of the truck and the environment that it operates in this type of corrosion is to be expected.

Given the safety sensitive nature of working on Fire Aerials, the age of the unit, and our knowledge of corrosion inside the boom, it is in the City's best interest to ensure safety sensitive equipment is replaced before unsafe conditions develop. Much of the City's fleet is "run to failure", however running a safety sensitive piece of equipment to failure is not an option.

Due to the 6 – 12 month lead time to build an aerial truck, Ladder 1 will have to remain in service for another year. Corrosion, by nature, worsens over time and Fleet Services has very low confidence that Ladder 1 can continue in front line service safely. Given the corrosion concerns and at the request of the Fire Fighter's Union, a "non-destructive" test has been scheduled to occur on February 23 to determine if we can safely continue to use Ladder 1 for the immediate future. Results will be shared immediately.

CC: Michael Bobinsky, Director Public Services
Jerry Lamoria, Fire Chief
Scott Thomes, Assistant Fire Chief
John Brooks, President Local 740

Ladder 1

Portland Fire Department

Equipment Type – Ladder Truck w/ 85' Snorkel type Boom

Model Year – 1993   Age – 22 years

Engine Hours – 15,273 Aerial Hours – 2,190

Service Calls in 2014 – 1,281 including 322 for EMS calls

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MEMORANDUM

To: Finance Committee

From: Ian Houseal, Sustainability Coordinator

Date: May 10, 2012

Re: Consistency of the Capital Improvement Plan (FY 2013 – FY 2017) (CIP) with Council Adopted Master Plans, Studies, or Reports from 2009 to 2012

The following reviews Council adopted master plans, studies, or reports from 2009 to 2012 for references to specific capital projects and verifies that referenced projects appear in the CIP (FY 2013 – FY 2017). Only recommendations proposing specific capital projects have been reviewed.

1. Athletic Facilities Task Force Report
   a. All cited capital projects in the Report are listed in the CIP.

2. Portland Economic Development Plan
   a. No specific capital projects are cited in the Plan.
   b. The Rand Road Technology Park is a capital project listed in the CIP which is a suggested investment mentioned in the Plan.

3. Solid Waste Task Force Report
   a. The Report cites exploring and suggests switching to cart-based recycling collection and co-locating recycling containers with public trash receptacles by December 2016.
   b. The Report cites finding a permanent location for the silver bullet recycling containers.
   c. The CIP lists relocation of the silver bullet recycling containers.

4. West Commercial Street Trail Feasibility Study
   a. The Study cites numerous improvements.
   b. The Study is referenced in the CIP and the CIP lists the first phase of the Study's recommendations.

5. St. John/Valley Streetscape Improvement Plan
   a. The Plan cites numerous improvements and those improvements were funded by CDBG funding in previous years.
   b. The CIP lists reconfiguring St. John Street under another project which includes streetscape improvements.

6. Sustainable Portland
    a. No specific capital projects are cited in the Plan.

7. Peninsula Transit Study
    a. The Plan cites specific pedestrian crossing, sidewalk improvements, bicycle facilities, highway entrance facilities, park-and-ride, and transit facility improvements.
    b. The CIP lists sidewalk and pedestrian crossing improvements, but does not reference specific crossing listed in the Plan other than projects in the Bayside neighborhood.
    c. The CIP does not list transit facility improvements; specific improvements are under consideration by GPCOG and METRO.
    d. The CIP lists highway Exit 6 improvements and other Forest Avenue corridor improvements and paving of the Washington Avenue corridor.
    e. The CIP does not list bicycle lane stripping, but those costs are in the lane stripping budget.
    f. The CIP does not list Park-and-Ride expansions.
    g. The CIP does not list installing bicycle storage stations.

8. Franklin Street Arterial Study
    a. No specific capital projects are cited in the Study.

ADOPTED MASTER PLANS, STUDIES, AND REPORTS

2009-2010

8-03-09	Order Amending Comprehensive Plan to Include Peninsula Transit Study Transportation - Sponsored by Transportation Committee
11/16/09	Order Adopting Franklin Street Arterial Study Committee Report – Sponsored by Councilor Donoghue
6/07/10	Order Amending Comprehensive Plan Re: Sustainable Portland – Sponsored by the Energy & Environmental Sustainability Committee

2010-2011

8-02-10	Order Accepting West Commercial Street Trail Feasibility Study and Approving Recommendation of Study – Sponsored by Transportation Committee
9-13-10	Order Approving St. John/Valley Streetscape Improvement Plan – Sponsored by Transportation Committee

2011-2012

11-21-11	Order Adopting Portland Economic Development Plan – Sponsored by Community Development Committee
11-21-11	Order Approving Athletic Facilities Task Force Report – Sponsored by Athletic Facilities Task Force

COMMUNICATIONS 2011-2012

9-07-11	Solid Waste Task Force Report
10-03-11	Portland Economic Development Plan
11-21-11	Congress Square Redesign Study Group

CAPITAL PROJECT PLANNING WORKSHEET - GENERAL FUND

	FY15 auth.	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Funding Recommendation													
Capital Maintenance Borrowing	12,634,000	14,257,000	12,641,700	11,984,000	14,283,000	7,819,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Projected New Issue Debt Service--est. debt service													
General Fund--est. debt service			1,477,165	2,851,775	4,133,122	5,540,183	6,243,185	7,108,534	7,837,438	8,535,627	9,182,202	9,765,236	10,176,696
Projected GF Debt Service Est.	**25,597,991**	26,382,363	27,659,955	28,290,711	29,161,625	30,059,249	31,034,811	32,403,250	33,613,151	34,843,185	36,024,236	37,397,314	15,063,216
increase from prior year	*1,682,449*	*784,372*	*1,277,592*	*630,756*	*870,915*	*897,624*	*975,562*	*1,368,438*	*1,209,901*	*1,230,034*	*1,181,050*	*1,373,079*	*(22,334,098)*
Projected GF Debt Service Est. (less POB)	14,250,995	14,307,028	14,808,292	14,615,859	14,613,744	14,586,852	14,586,100	14,917,455	15,027,751	15,090,692	15,034,418	15,099,425	15,063,216
increase from prior year	*991,448*	*56,033*	*501,264*	*(192,434)*	*(2,114)*	*(26,892)*	*(752)*	*331,354*	*110,296*	*62,941*	*(56,274)*	*65,007*	*(36,209)*
Projected Debt Service Available		(784,372)	(2,061,964)	(2,692,720)	(3,563,634)	(4,461,258)	(5,436,820)	(6,805,259)	(8,015,160)	(9,245,194)	(10,426,245)	(11,799,323)	10,534,775
Projected FY15 Comparative Est. Tax Rate Increase	*-*	*0.10*	*0.26*	*0.34*	*0.45*	*0.55*	*0.67*	*0.83*	*0.97*	*1.10*	*1.23*	*1.38*	*(1.22)*

Potential CIP Major Project	SELECT YEAR	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Elementary Schools	**18**	-	-	11,257,319	15,339,060	12,337,789	12,183,505	-	-	-	-	-	-
Public Services Relocation	**17**	-	6,000,000	-	-	-	-	-	-	-	-	-	-
Congress Square Re-Design	**24**	-	-	-	-	-	-	-	-	2,000,000	1,370,000	-	-
Capisic Pond Improvements	**18**	-	-	1,125,000	-	-	-	-	-	-	-	-	-
Franklin Street Redesign	**23**	-	-	-	-	-	-	-	500,000	4,500,000	-	-	-
Libbytown	**22**	-	-	-	-	-	-	600,000	500,000	-	-	-	-
Spring Street	**25**	-	-	-	-	-	-	-	-	-	2,000,000	1,500,000	-
Bayside Transportation	**25**	-	-	-	-	-	-	-	-	-	500,000	2,000,000	1,000,000
State St & High St	**25**	-	-	-	-	-	-	-	-	-	1,500,000	1,500,000	-
Forest Avenue	**21**	-	-	-	-	-	500,000	2,000,000	500,000	500,000	-	-	-

	FY15 auth.	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Total Potential Projects		-	6,000,000	12,382,319	15,339,060	12,337,789	12,683,505	2,600,000	1,500,000	7,000,000	5,370,000	5,000,000	1,000,000
Potential GF Debt Service Est.	25,597,991	26,382,363	27,659,955	28,860,711	30,880,946	33,138,700	35,106,940	37,465,638	38,647,679	39,847,092	41,528,121	43,128,204	20,991,135
increase from prior year	*1,682,449*	*784,372*	*1,277,592*	*1,200,756*	*2,020,235*	*2,257,754*	*1,968,240*	*2,358,698*	*1,182,041*	*1,199,413*	*1,681,029*	*1,600,083*	*(22,137,069)*
Potential GF Debt Service Est. (le:	14,250,995	14,307,028	14,808,292	15,185,859	16,333,065	17,666,302	18,658,229	19,979,843	20,062,279	20,094,599	20,538,304	20,830,315	20,991,135
increase from prior year	*991,448*	*56,033*	*501,264*	*377,567*	*1,147,206*	*1,333,238*	*991,926*	*1,321,614*	*82,436*	*32,320*	*443,705*	*292,011*	*160,820*
Potential Debt Service Available	-	(784,372)	(2,061,964)	(3,262,720)	(5,282,955)	(7,540,709)	(9,508,949)	(11,867,647)	(13,049,688)	(14,249,101)	(15,930,130)	(17,530,213)	4,606,856
FY15 Comparative Est. Tax Rate Increase (mi		0.10	0.26	0.41	0.66	0.94	1.17	1.44	1.57	1.70	1.88	2.05	(0.53)
Comparative Tax Rate Increase (% from $20 per 1,000 of value)		0.5%	1.3%	2.1%	3.3%	4.7%	5.8%	7.2%	7.9%	8.5%	9.4%	10.3%	-2.7%
Prior Year Est. Tax Rate Increase (mil rate)		0.10	0.16	0.15	0.25	0.27	0.23	0.28	0.13	0.13	0.18	0.17	(2.58)
Project Tax Rate Increase (mil rate)			-	0.07	0.22	0.38	0.50	0.62	0.61	0.60	0.65	0.67	0.69

Capital Planning for Future/Potential Major CIP Projects
Project Detail

Elementary Schools is for the construction/renovation of the five mainland elementary schools which have not had significant improvements in recent memory. The cost estimates were generated by a school planning effort commonly referred to as "Buildings for Our Future". Resources expended to date include $300,000 in the FY13 CIP to assess the 5 buildings, gather community input and produce preliminary design concepts and cost estimates. The project estimates contained in the proposed 5 year CIP will need to be refined as each design is developed.

The Hall Elementary School project will receive State funding and therefore costs are not represented on the working schedule. An additional $400,000 was allocated, again in the FY13 CIP, for further design work.

All of these projects (including Hall School) will need voter approval via a referendum.

Public Services Relocation More detail will be provided by separate memorandum. Future capital cost estimates provided are estimates **ONLY**.

Congress Square Re-design is to re-design the intersection, plaza, and its surrounding sidewalks and public spaces in coordination with the State/High two-way conversion study. One component of the Congress Square Re-design includes the conceptual design of the entire square and design development and construction specifications for Congress Square Plaza. The other component includes the design development and construction specifications for the square/intersection outside of the plaza.

Funding for design of this project was approved in the FY 07 CIP at $50,000, which was supplemented by $50,000 from RockBridge when the concept included the events center. Costs incurred to date amount to $82,750, including $10,000 expended to evaluate competing options of a rooftop park and a ground plane plaza design. Design is on hold pending direction from the City Council. We estimate that $50,000 - $75,000 is needed to complete the design for the entire project scope.

Construction estimates have been provided by the Planning Office based on advice from the KMDG design team and a more detailed cost estimate for the plaza area provided by Wright-Ryan in November, 2014. Wright-Ryan's cost estimate for a ground level plaza is $1,367,400. Our estimate for the renovation of the square, exclusive of the plaza, provided in a memorandum to the City Council in July, 2014, is a range of $2m to $2.5m. The current CIP request reflects these cost estimates, with $2m requested in FY 18 and $1.375 requested in FY19.

Capisic Pond Improvements is to improve the existing habitat for the variety of species that currently utilize the pond and improve the aesthetic quality of the pond, while balancing the concerns of local residents and maintaining the existing character of the park. This will be achieved by sediment removal in portions of the pond to increase pond water depth, removal of the current population of cattails in selected areas and increasing the open water component of the pond.

Total expended to date: $221,000.

Final Opinion of Probable Construction Cost for Pond Enhancement (including Construction Administration): $2.1M

More detail is provided in memorandum under separate agenda item.

Bayside Transportation implements the overarching A New Vision for Bayside plan (2000) that is part of the city's Comprehensive Plan. The plan identifies land use/redevelopment, infrastructure and transportation opportunities within Bayside to transform the industrial-oriented area into an active urban mixed use neighborhood. Additional area studies influencing transportation investments in Bayside include the Peninsula Traffic Study (not adopted), Marginal Way Master Plan (2006), Peninsula Transit Study (2008), Reclaiming Franklin Street (2009), Franklin Street Study Phase 2 (underway), Somerset Street Re-connection Study (underway) and the State-High Street Two-way Studies (2012 and underway). A Bayside Transportation Master Plan study will begin in April 2015.

Capital projects in the Bayside area to date include:

- the Bayside Trail (city, state, federal and private funds) for approximately $2.5M
- Chestnut Street extension and sidewalk/lighting
- Marginal Way at Chestnut Street pedestrian crossing (2013), $60,000
- Elm Street sidewalk phase 1 and 2 (2014 and to be constructed in 2015), $70,000 and $250,000 respectively from CDBG funds
- Cumberland Avenue sidewalk and lighting, Preble St – Forest Avenue (construction in 2015) for $450,000 and Washington Avenue to Franklin St.
- Oxford Street Paving (MaineDOT, 2014),
- Back Cove South (Marginal Way) Storage Conduit project (to be constructed beginning 2016) for $29,000,000 not including streetscape improvements.

Future capital cost estimates provided are broad estimates **ONLY**.

State St. & High St. is to convert State and High Streets from one-way to two-way. The study has a City Council appointed Project Advisory Committee (PAC) made up of a broad group of stakeholders, co-chaired by Councilors Donoghue and Marshall. The project design team includes City staff, PACTS representative, project consultant, and MDOT officials. Work on the study is approximately 50% complete. PAC meetings have been held and another PAC meeting to be held in early March. *Engineered opinion of costs is still being developed at this time.* The basis for the evaluation builds off a Phase I assessment of the feasibility of converting these two major street corridors from one-way to two-way to improve overall safety for vehicles, and pedestrians.

The study funding to-date ($200,000) includes the evaluation and consideration of design requirements to accommodate this new travel movement including intersection changes, parking removal to accommodate intersection turning movements and traffic modeling to assess overall feasibility.

Capital costs include converting State and High Streets to two-way flow between Marginal Way and York Street, upgrade 15 traffic signals, intersection geometry adjustments at 12 intersections, and median adjustments on the Casco Bay Bridge. Planning Level Cost Estimate **ONLY**: 15 Signals x $100,000 (average per intersection) = $1,500,000, 12 Intersection Geometry Changes x $100,000 (average per intersection) = $1,200,000, Casco Bay Bridge Median Change = $250,000, Total Concept Cost = $2,950,000

Forest Avenue implements the Transforming Forest Avenue study ($90,000, 2012) adopted as part of the city's Comprehensive Plan. The plan identifies significant opportunities to greatly improve the infill/redevelopment context of the street, pedestrian accessibility along and across Forest Avenue, the quality of the Forest Avenue streetscape, traffic operations, bikeways, and transit facilities and operations to increase ridership.

Additional area studies influencing transportation investments on Forest Avenue include the Peninsula Traffic Study (not adopted), the State-High Street Two-way Studies (2012 and underway), Somerset Street Re-connection (underway) and an upcoming Bayside Trail Extension/Libbytown Trail Study and Design (to begin in June 2015).

Capital projects impacting Forest Avenue to date include:

- the Regional Traffic Management System signal coordination project (MaineDOT, 2012) for $750,000
- I-295 Exit 6 Safety project (MaineDOT, to be constructed in 2015) for $1.0M
- Woodford's Corner Intersection Project (to be constructed in 2016) for $1.6M
- Forest Avenue/Dartmouth intersection project (to be constructed in 2016/2017) for $105,000.
- Additional CIP funds totaling $650,000 have been allocated for bicycle-pedestrian, streetscape and intersection improvements, yet to be designed.

Future capital cost estimates provided are broad estimates **ONLY**.

Libbytown further implements the Libbytown Circulation and Streetscape Study (80% completed, begun in 2012). The study is evaluating the benefits of conversion of the one-way sections of Park Avenue and Congress Street to contribute to improved safety for all street users and to improve neighborhood livability and accessibility.

Study funding to-date is approximately $115,000.

Capital projects to date impacting Libbytown include:

- Multiple Libbytown sidewalk and streetscape projects on Congress Street and Park Avenue (EDA, CIP, CDBG and developer contribution funded) totaling approximately $350,000.
- Fore River Parkway Trail Extension from Thompson's Point Road to/across Congress St (PACTS and CIP) for $275,000.

Spring Street implements the Spring Street-Free Street Area Streetscape Plan (2012) which has been adopted as part of the city's Comprehensive Plan. The plan seeks to make Spring Street a more urban street to improve pedestrian accessibility along and across Spring Street, improve the visual quality of the streetscape and stimulate infill/redevelopment of vacant and underutilized parcels. Study costs to date are $15,000. Phase 1 is to be constructed in 2015 as part of a MaineDOT-administered, PACTS-funded Collector paving project.

Study funding to-date is approximately $125,000 with 67% expended.

Capital projects to date include:

- Spring Street Redesign project, Phase 1 ($800,000 CIP, $100,000 Unitil, $275,000 MaineDOT, to be constructed in 2015).

Full implementation of the Spring Street portion of the adopted master plan is estimated to be an additional $3.5M total.

Franklin Street Phase II involves recommending the preferred redesign plans for the Franklin Street Corridor from Exit 7/Marginal Way to Commercial Street. Extensive public process has been a characteristic of this project starting in the Phase I concept planning to the current Phase II work with an active Project Advisory Committee (PAC), partnering agreement with PACTS and MDOT, and City for project management and funding. Current project is progressing with final design recommendations; presentations tentatively scheduled with the Transportation Sustainability and Energy Committee for this March, and City Council in April or May.

Funding for Phase II study was approximately $500,000 and is 75% expended; engineered costs estimates are being prepared and are not finalized at this time.

Future capital cost estimates provided are estimates **ONLY**.